

## Message Text

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FM AMCONSUL CALGARY

TO SECSTATE WASHDC IMMEDIATE 2030

AMEMBASSY OTTAWA IMMEDIATE

UNCLAS SECTION 1 OF 6 CALGARY 0233

FOR DCM DUEMLING AND EUR/CAN ROUSE

E.O. 11652: N/A

TAGS: OGEN, CA

SUBJ: REDRAFT OF VANCOUVER SPEECH

PLEASE VET FOLLOWING REDRAFT. AMBASSADOR WILL CALL  
OTTAWA THURSDAY MAY 26 AM TO GO OVER FINAL CHANGES.

SECTION 1.

1. CANADA AND THE UNITED STATES HAVE BEEN IN THE NUCLEAR  
BUSINESS TOGETHER SINCE THE START.

2. WE WERE THE FIRST TWO COUNTRIES TO BUILD NUCLEAR RE-  
ACTORS, YOU THROUGH THE MONTREAL GROUP AND AT CHALK  
RIVER, WITH AN ASSIST FROM HEAVY WATER PRODUCED NOT SO  
FAR FROM HERE IN TRAIL; WE THROUGH THE MANHATTAN PROJECT.  
OUT OF OUR WARTIME COLLABORATION CAME THE TWO GREAT  
FAMILIES OF CIVIL POWER REACTORS: OURS BASED ON THE  
USE OF LIGHT WATER, YOURS ON HEAVY WATER.

3. WE WERE BOTH CONSCIOUS AT THE START OF THE NUCLEAR  
AGE OF ITS ENORMOUS PERILS, AND COLLABORATED IN PUTTING  
FORTH THE FIRST NUCLEAR ARMS CONTROL PROPOSALS, IN  
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DEVELOPING A REGIME OF INTERNATIONAL SAFEGUARDS, AND IN  
DRAFTING THE NON-PROLIFERATION TREATY.

4. WE HAVE EACH OF US HAD SOME MAJOR SUCCESSES IN THE  
NUCLEAR FIELD. YET EACH HAS SUFFERED SOME GREAT DIS-  
APPOINTMENTS.

5. WE HAVE EACH MADE AN IMPRESSIVE START IN THE GENERATION OF POWER FROM REACTORS: 133 PLANTS ARE NOW OPERATING OR UNDER CONSTRUCTION IN THE UNITED STATES, 10 IN CANADA. YET EVEN NOW, 35 YEARS AFTER THE MANHATTAN PROJECT, NUCLEAR POWER ACCOUNTS FOR NO MORE THAN THREE PERCENT OF ENERGY USE IN EITHER COUNTRY.

6. EACH OF US HAS BEEN ABLE TO HELP OTHER COUNTRIES, MANY OF THEM POORER THAN WE IN ENERGY RESOURCES, TO DEVELOP THEIR OWN NUCLEAR POWER INDUSTRY.

7. WITH ONE EXCEPTION, THE NUCLEAR MATERIALS AND TECHNOLOGY WE PROVIDED HAVE BEEN USED FOR THE PEACEFUL PURPOSES FOR WHICH THEY WERE INTENDED, AND THE NETWORK OF SAFEGUARDS AND CONTROLS UNDER WHICH THEY WERE TRANSFERRED HAVE PROVED TO BE RELIABLE. YET INDIA DID USE A CANADIAN-SUPPLIED REACTOR AND, WITH LITTLE DOUBT, U.S.-SUPPLIED HEAVY WATER TO DEVELOP A NUCLEAR EXPLOSIVE.

8. PROGRESS HAS BEEN MADE IN THE SALT TALKS IN LIMITING THE DESTABILIZING IMPACT OF THE DEVELOPMENT OF NEW STRATEGIC NUCLEAR WEAPONS. YET SO FAR ALL EFFORTS TO ROLL BACK THE EXISTING LEVEL OF NUCLEAR ARMAMENT -- TO ACTUALLY BEGIN THE PROCESS OF DISARMAMENT -- HAVE FAILED.

9. IN EACH OF THE THREE MAIN AREAS OF NUCLEAR AFFAIRS -- PREVENTING THE PROLIFERATION OF NUCLEAR WEAPONS, PRODUCTION OF ENERGY, AND THE CONTROL OF STRATEGIC ARMAMENTS -- OUR GOVERNMENTS INDIVIDUALLY OR ACTING TOGETHER ARE NOW TAKING

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NEW INITIATIVES. WHAT I WOULD LIKE TO TALK ABOUT TODAY IS WHAT THOSE INITIATIVES ARE, HOW WE CAN BACK THEM UP, AND THEIR CHANCES FOR SUCCESS.

## SECTION 2.

10. LET ME START WITH PROLIFERATION. YOU KNOW WHAT THE PROBLEM IS. IT IS THE ACCELERATING SPREAD OF THE CAPABILITY TO CONVERT THE NUCLEAR MATERIALS USED OR PRODUCED IN PEACEFUL REACTORS -- NOTABLY PLUTONIUM AND HIGHLY-ENRICHED URANIUM -- INTO EXPLOSIVES.

11. THE PROBLEM IS RELATIVELY RECENT. PRIOR TO THE OIL EMBARGO OF 1973, SOME 40 COUNTRIES HAD DEVELOPED A NUCLEAR POWER INDUSTRY. BUT FOR MOST, THE PLUTONIUM GENERATED IN THEIR REACTORS WAS UNUTILIZABLE FOR WEAPONS, BEING INTERMIXED WITH OTHER MATERIALS. AND THE ENRICHED URANIUM FUEL WAS CAREFULLY SAFEGUARDED.

12. BUT WHEN THE OIL EMBARGO OCCURRED, THE NUMBER OF NUCLEAR REACTORS ON ORDER JUMPED DRAMATICALLY. MUCH MORE CRITICALLY, A NUMBER OF COUNTRIES LAUNCHED A DRIVE TO PROTECT THEIR NUCLEAR POWER SYSTEMS FROM INTERRUPTION BY LOCATING THE ENTIRE NUCLEAR FUEL CYCLE ON THEIR OWN TERRITORY.

13. THE CYCLE WOULD INCLUDE THE CAPABILITY TO REPROCESS IRRADIATED REACTOR FUEL RODS TO RECOVER THE PLUTONIUM BY-PRODUCT AND THE URANIUM. THE ASSUMPTION IS THAT THE REPROCESSED PLUTONIUM AND URANIUM COULD BE REUSED IN POWER GENERATION, THUS ECONOMIZING ON THE USE OF NATURAL OR SLIGHTLY-ENRICHED URANIUM FUEL.

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BUT THE PLUTONIUM COULD ALSO BE DIVERTED FROM THE PROCESS AND USED TO MAKE WEAPONS.

14. UP TO NOW, ONLY A FEW COUNTRIES HAVE DEVELOPED THIS REPROCESSING CAPABILITY. BUT A NUMBER NOW SEEK IT. THE FACT THAT ONLY A RELATIVELY SMALL NUMBER OF COUNTRIES MINE URANIUM IN COMMERCIAL QUANTITIES -- THE MAJOR ONES BEING CANADA, THE UNITED STATES, THE SOVIET UNION, AND SOUTH AFRICA -- AND EVEN FEWER ENRICH IT HAS PROVIDED A RATIONALE FOR OTHER COUNTRIES TO TRY TO DEVELOP THEIR OWN FUEL CYCLE CAPABILITY. SO HAVE FEARS THAT INSUFFICIENT NUCLEAR FUEL WOULD BE AVAILABLE AFTER ITS PRINCIPAL SUPPLIERS HAD TAKEN CARE OF THEIR OWN NEEDS, OR BE AVAILABLE ONLY ON ONEROUS CONDITIONS.

15. THE DEVELOPMENT OF THE FAST BREEDER REACTOR DESIGNED TO PRODUCE MORE PLUTONIUM THAN IT CONSUMES IS ALSO

PRESENTING A MAJOR NEW PROBLEM OF POLICY. SEVERAL COUNTRIES INCLUDING THE SOVIET UNION, THE U.K., FRANCE, GERMANY, JAPAN AND THE UNITED STATES HAVE EACH BEEN WORKING ACTIVELY FOR A NUMBER OF YEARS TO PRODUCE THIS ESSENTIALLY INEXHAUSTIBLE SOURCE OF ENERGY, WHICH ALSO PROMISES A VIRTUALLY UNLIMITED SUPPLY OF PLUTONIUM.

16. THE BASIC STRATEGY FOR CURBING PROLIFERATION IS  
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TWO-PRONGED.

17. ON THE ONE HAND WE TRIED TO DEVELOP A WORLDWIDE ENVIRONMENT HOSTILE TO THE DEVELOPMENT OF NEW NUCLEAR WEAPONS CAPABILITIES. OUR PRIMARY INSTRUMENT HERE IS THE NONPROLIFERATION TREATY OF 1968, UNDER WHICH NON-NUCLEAR WEAPONS STATES UNDERTAKE NOT TO CONSTRUCT NUCLEAR EXPLOSIVE DEVICES, EITHER PEACEFUL OR MILITARY. THE FACT THAT 102 COUNTRIES HAVE SIGNED THE TREATY UNQUESTIONABLY CREATES PSYCHOLOGICAL PRESSURES AGAINST WEAPONS DEVELOPMENT.

18. AT THE SAME TIME WE HAVE SOUGHT TO CREATE RELATIONSHIPS OF CONFIDENCE BETWEEN SUPPLIERS AND RECIPIENTS OF NUCLEAR MATERIALS, UNDER WHICH SUPPLIERS CAN EXPECT RIGOROUS SAFEGUARDS AGAINST DIVERSION, AND RECIPIENTS CAN HAVE A REASONABLE EXPECTATION THAT THE RELATIONSHIP WILL LAST AND THAT ADEQUATE SUPPLIES OF FUEL AND EQUIPMENT WILL BE FORTHCOMING.

19. FOLLOWING EXPLOSION OF THE INDIAN DEVICE IN 1974 AND AGAINST THE THREAT OF A SPREAD OF REPROCESSING CAPABILITY, BOTH CANADA AND THE UNITED STATES HAVE COME TO THE CONCLUSION THAT NEW MEASURES ARE REQUIRED.

20. YOU WERE THE FIRST TO ACT. IN NOVEMBER 1976 EXTERNAL AFFAIRS MINISTER JAMIESON ANNOUNCED THAT HENCEFORTH CANADA WOULD NOT SUPPLY NUCLEAR MATERIALS UNLESS THE RECIPIENT AGREED THAT ALL NUCLEAR FACILITIES AND MATERIALS IN HIS COUNTRY, FROM WHATEVER SOURCE, BE SAFEGUARDED FOR THE LIFE OF THE ITEMS SUPPLIED BY CANADA.

21. THE CARTER ADMINISTRATION HAS NOW TAKEN A POSITION VERY CLOSE TO THAT OF CANADA. IN LATE APRIL PRESIDENT CARTER ASKED THE CONGRESS FOR AUTHORITY TO RENEGOTIATE THE U.S. NUCLEAR COOPERATION AGREEMENTS IN ORDER TO  
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ACHIEVE A NEW BALANCE OF INCENTIVES, CONTROLS, AND DENIALS.

22. THE INCENTIVES THE PRESIDENT PROPOSED TO OFFER ARE GUARANTEED ACCESS TO NON-SENSITIVE LOW-ENRICHED URANIUM FUEL AND ADEQUATE STORAGE FOR SPENT FUEL. TO BACK THIS UP, HE ANNOUNCED A SERIES OF MEASURES TO INCREASE U.S. ENRICHED URANIUM CAPACITY AND TO ENCOURAGE EXPLORATION OF NATURAL URANIUM.

23. AS FOR CONTROLS, THE U.S. WILL INSIST THAT NO MATERIALS OR TECHNOLOGY WILL BE PROVIDED UNLESS THE RECIPIENT ACCEPTS SAFEGUARDS ON ALL NUCLEAR MATERIALS AND EQUIPMENT ON ITS TERRITORY REGARDLESS OF THEIR ORIGIN. VIOLATION OF THIS CONDITION WILL RESULT IN IMMEDIATE TERMINATION OF U.S. NUCLEAR SUPPLIES.

24. AT THE SAME TIME THE PRESIDENT ANNOUNCED THAT THE UNITED STATES WILL TAKE IMMEDIATE STEPS TO SLOW ITS MARCH TOWARDS THE USE OF PLUTONIUM AS A FUEL FOR POWER REACTORS. HE DEFERRED INDEFINITELY DEVELOPMENT OF OUR OWN REPROCESSING INDUSTRY, AS WELL AS CONSTRUCTION OF A COMMERCIAL DEMONSTRATOR OF THE BREEDER REACTOR.

25. AS REGARDS REPROCESSING ABROAD, THE U.S. WILL NOT LICENSE REPROCESSING PLANTS AND TECHNOLOGY FOR EXPORT. U.S. APPROVAL WILL BE REQUIRED FOR THE REPROCESSING OF ANY AMERICAN-SUPPLIED NUCLEAR MATERIALS, INCLUDING ALL SPECIAL NUCLEAR MATERIAL PRODUCED THROUGH THE USE OF U.S. EQUIPMENT.

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AMEMBASSY OTTAWA IMMEDIATE

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26. ALTHOUGH BOTH CANADA AND THE UNITED STATES HAVE MADE HEADWAY IN RENEGOTIATING NUCLEAR COOPERATION AGREEMENTS WITH SOME OF THEIR MAIN CUSTOMERS, IT IS FAIR TO SAY THAT THESE NEW POLICIES HAVE STIRRED DEEP CONCERN ABROAD. WITH FEW DOMESTIC ENERGY OPTIONS AND LITTLE LOCAL URANIUM, EUROPEANS HAVE LOOKED TO REPROCESSING AND THE BREEDER AS THE LONG-TERM SOLUTION TO THEIR MASSIVE DEPENDENCE ON MID-EASTERN OIL. SOME OF THE MAJOR DEVELOPING COUNTRIES, LIKE BRAZIL, HAVE REACTED IN A SIMILAR WAY. AND FEARS THAT WE ARE TRYING TO KEEP THEM DOWN BY LIMITING THEIR ACCESS TO ADVANCED TECHNOLOGY MADE THEIR RESPONSE MORE EMOTIONAL.

27. IN THE SHORT TERM, CANADA AND THE UNITED STATES HAVE ENORMOUS BARGAINING POWER. TOGETHER WE HAVE ABOUT THREE FIFTHS OF THE NATURAL URANIUM AND FOUR FIFTHS OF THE ENRICHMENT SERVICES AVAILABLE IN THE FREE WORLD. WE ARE MAJOR MANUFACTURERS OF LIGHT AND HEAVY WATER REACTORS.

28. BUT OUR LONG-TERM SUCCESS PROBABLY DEPENDS MORE ON THE INCENTIVES TO COOPERATION THAT WE CAN OFFER, THAN ON DENIALS. THE CRITICAL ELEMENT WILL BE OUR ABILITY TO CONVINCE NUCLEAR IMPORTERS THAT WE WILL REMAIN RELIABLE SUPPLIERS OF NATURAL AND ENRICHED URANIUM FOR COOPERATING NATIONS.

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29. BUT -- AND THIS IS THE TOUGH PART -- WE ARE NOT GOING TO CONVINCE OTHERS THAT WE WILL REMAIN RELIABLE SUPPLIERS UNLESS BOTH THE UNITED STATES AND CANADA ARE PREPARED TO SEE A MAJOR INCREASE IN URANIUM EXPLORATION AND MINING ON THEIR TERRITORIES. YOU CAN T STOP SOMETHING WITH NOTHING, AND THE DEVELOPMENT OF THE PLUTONIUM WORLD ISN T GOING TO BE STOPPED WITHOUT AN ALTERNATIVE.

30. THE U.S. IS MOVING INTO HIGH GEAR IN URANIUM. THE GOVERNMENT IS ACCELERATING ITS COUNTRY WIDE GEOLOVICAL EVALUATION, WHILE DIVISING STRATEGIES FOR OVERCOMING JUSTIFIED ENVIRONMENTAL AND LEGAL CONSTRAINTS. PRIVATE INDUSTRY IS GREATLY EXPANDING ITS INVESTMENT.

31. BUT THE U.S. ALONE CAN T ASSURE AN ADEQUATE SUPPLY OF NUCLEAR FUEL. WE HOPE THAT CANADIAN GOVERNMENTS, FEDERAL AND PROVINCIAL WILL ALSO ACCELERATE THEIR ALREADY SIGNIFICANT PROGRAMS FOR IDENTIFYING URANIUM RESOURCES. WE HOPE YOU WILL MOVE AGGRESSIVELY TO SATISFY ENVIRONMENTAL, WATER RIGHTS AND OTHER CONDITIONS FOR URANIUM DEVELOPMENT, AND THUS TO CREATE THE BASIS FOR SUSTAINED URANIUM EXPORTS THROUGH THIS CENTURY.

(NOTE: PLEASE CHECK THIS PARA CAREFULLY IN WASHINGTON  
AND WITH CANADIAN OFFICIALS; REWRITE AS NECESSARY).

32. IT WILL TAKE SOME TIME UNTIL WE CAN ASSESS FULLY  
THE RESULTS OF THE NEW EFFORT TO CONTROL PROLIFERATION  
WE BOTH ARE MAKING. YOU ARE CURRENTLY RENEGOTIATING  
YOUR COOPERATION AGREEMENTS; WE EXPECT TO BEGIN  
RENEGOTIATING OURS SHORTLY. THE PROCESS WILL TAKE TIME.  
EXTENSIVE MULTILATERAL DISCUSSIONS ARE GOING ON, NOTABLY  
IN THE NUCLEAR SUPPLIERS GROUP WHICH INCLUDES THE USSR.

33. THER IS NO QUESTION THAT OUR FUTURE SECURITY --  
AND THE WORLD S -- DEPENDS IN AN IMPORTANT WAY ON THE  
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RESULTS OF THESE NEGOTIATIONS, AND THE DOMESTIC DECISIONS  
WHICH MUST BACK THEM UP.

SECTION 3.

34. I HAVE SPOKEN FIRST OF THE PROLIFERATION PROBLEM  
BECAUSE ITS SOLUTION IS CLEARLY A CONDITION PRECEDENT  
TO THE SUCCESSFUL EXPLOITATION OF NUCLEAR POWER.

35. PUBLIC CONCERN OVER THE DEVELOPMENT OF NUCLEAR POWER  
IS WIDESPREAD IN THE UNITED STATES. THERE HAVE BEEN  
NUMEROUS ATTEMPTS -- SO FAR UNSUCCESSFUL -- TO RESTRICT  
NUCLEAR DEVELOPMENT BY LEGISLATION. AND DEMONSTRATORS--  
AS LAST MONTH IN NEW HAMPSHIRE -- HAVE TRIED TO PREVENT  
REACTOR CONSTRUCTION. IN EUROPE THE IMPACT OF NUCLEAR  
OPPOSITION HAS BEEN GREATER STILL.

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36. BUT THE DIRECT EFFECT OF OPPOSITION TO NUCLEAR CONSTRUCTION IS PERHAPS LESS SIGNIFICANT THAN THE INDIRECT EFFECT OF LENGTHENING AND COMPLICATING OF THE APPROVAL PROCESS. NOWHERE CAN YOU SEE THAT BETTER THAN IN THE WAY IN WHICH EXPECTATIONS OF NUCLEAR POWER DEVELOPMENTS HAVE CHANGED. WHEN THE ARAB OIL BOYCOTT HIT US IN 1973, THE EXPERTS ESTIMATED THAT SO MUCH CAPACITY WAS PLANNED OR UNDER CONSTRUCTION WORLD-WIDE, THAT BY 1985 NO LESS THAN HALF A MILLION MEGAWATTS OF CAPACITY WOULD BE INSTALLED. YET THREE YEARS LATER THAT ESTIMATE HAD TO BE CUT IN HALF, REFLECTING ALL THE DELAYS AND UNCERTAINTIES THAT HAD BEEN BUILT INTO THE PROCESS IN BETWEEN. THAT SLOWDOWN WILL COST THE WESTERN WORLD THIS DECADE THE EQUIVALENT OF HALF OF KNOWN NORTH SEA OIL. IT NOW TAKES AN AVERAGE OF TEN YEARS TO BUILD A NUCLEAR PLANT IN THE UNITED STATES, SEVEN IN CANADA. FURTHER DELAYS ARE POSSIBLE.

37. THE NEW ADMINISTRATION IN WASHINGTON IS ATTEMPTING TO MEET THIS QUESTION DIRECTLY. ITS HOPE IS TO SATISFY THE JUSTIFIED CONCERNS ABOUT OUR NUCLEAR FUTURE BY HALTING SPENT FUEL REPROCESSING, SLOWING DOWN AND STRETCHING OUT THE BREEDER REACTOR PROGRAM, AND PROVIDING SAFE STORAGE FOR SPENT FUEL.

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38. WE ARE PERSUADED THAT STANDARD LIGHT WATER REACTORS ARE SAFE, AS THEIR RECORD SHOWS. NONETHELESS TO PROVIDE ADDITIONAL ASSURANCE THE ADMINISTRATION WILL TIGHTEN AUDITS AND PLANS TO STATION A PERMANENT INSPECTOR AT EACH SITE.

39. BY THIS TWO-PRONGED APPROACH, THE U.S. HOPES TO CREATE A CLIMATE IN WHICH LIGHT WATER REACTORS OF STANDARD DESIGN CAN BE BUILT IN LARGE NUMBERS AND THE REGULATORY PROCESS SUBSTANTIALLY SHORTENED.

40. IN CANADA, THERE APPEARS NOW TO BE NO INSUPERABLE OBSTACLE TO THE REGULAR CONSTRUCTION OF AT LEAST THREE REACTORS A YEAR. AND THAT FIGURE COULD BE DOUBLED.

41. SINCE WE ARE BUILDING DIFFERENT TYPES OF REACTORS IN QUITE DIFFERENT TYPES OF PUBLIC ENVIRONMENT, OUR NUCLEAR POWER PROGRAMS ARE LIKELY TO CONTINUE INDEPENDENTLY -- AT LEAST FOR A DECADE. FOR THE FUTURE, THE QUESTION



IS POSED AS TO WHETHER THE EXISTING URANIUM BASED FUEL CYCLE WILL NOT HAVE TO BE REPLACED BY ANOTHER FUEL CYCLE IN THE EARLY PART OF THE NEXT CENTURY.

42. WE ESTIMATE THAT, WITH IMPLEMENTATION OF A NO-PROCESSING COMMITMENT BY MAJOR INDUSTRIAL COUNTRIES, FREE WORLD URANIUM RESOURCES IF FULLY DEVELOPED SHOULD BE ADEQUATE TO SUPPORT OVER ONE MILLION MEGAWATTS OF NUCLEAR POWER INTO THE NEXT CENTURY, OR MORE THAN TEN TIMES WHAT WE NOW HAVE. THAT'S A LOT IN ABSOLUTE TERMS, BUT WOULD COVER ONLY A FRACTION OF INCREASED ENERGY DEMAND. AND IT COULD ONLY BE ACHIEVED BY AGGRESSIVE DEVELOPMENT OF URANIUM RESOURCES AND AN INCREASING USE OF HIGHER COST URANIUM.

43. THEREFORE WE SHOULD BEGIN NOW TO EVOLVE AN ACCEPTABLE FOLLOW-ON FUEL CYCLE. THAT IS THE PURPOSE OF PRESIDENT CARTER S PROPOSAL FOR AN INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION PROGRAM, WHICH THE LONDON SUMMIT AGREED SHOULD UNCLASSIFIED

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BE ESTABLISHED.

44. SOME OF THE ALTERNATIVES TO BE EXAMINED, OR REEXAMINED ARE THE TANDEM FUEL CYCLE, VARIOUS COPROCESSING SCHEMES, THE HOMOGENEOUS REACTOR, THE SPECTRAL SHIFT REACTOR, THE THORIUM-URANIUM CYCLE, AS WELL AS REPROCESSING AND THE BREEDER. OF COURSE, THERE IS NO GUARANTEE THAT ANY OF THEM WILL PROVE TECHNICALLY AND ECONOMICALLY VIABLE, BUT THE DANGERS OF NUCLEAR PROLIFERATION REQUIRE THAT THEY BE EXPLORED.

45. THE U.S. IS COMMITTING THREE-QUARTERS OF A BILLION DOLLARE TO ALTERNATIVE FUEL CYCLES THIS YEAR. CANADA CAN ALSO MAKE A MAJOR CONTRIBUTION. WE LOOK FORWARD TO WORKING CLOSELY WITH YOU IN THIS TASK.

#### SECTION 4.

46. LET ME TURN NOW TO THE ULTIMATE PROBLEM: NUCLEAR WEAPONS.

47. IT HAS BECOME COMMONPLACE TO TALK OF A "BALANCE OF TERROR" BETWEEN THE SOVIET UNION AND THE UNITED STATES. INDEED BOTH COUNTRIES NOW HAVE THE POWER TO SURVIVE A FIRST STRIKE BY THE OTHER AND YET DELIVER A BLOW OF APOCALYPTIC FORCE.

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48. INDEED THE UNITED STATES AND THE SOVIET UNION ARE IN ROUGH EQUIVALENCE. THE SOVIETS ARE AHEAD IN SOME AREAS -- LAUNCH PLATFORMS, AIR DEFENSE, LAND-BASED MISSILE THROW-WEIGHT. THE U.S. IS AHEAD IN OTHER -- TOTAL WARHEADS, INTERCONTINENTAL BOMBERS, AND MISSILES WITH MULTIPLE INDEPENDENTLY TARGETED REENTRY VEHICLES, OR MIRVS.

49. BUT THE STRATEGIC RELATIONSHIP-- WHICH IS BASED ON THE ABILITY OF BOTH COUNTRIES TO RETAIN A SECURE SECOND-STRIKE CAPABILITY, SO THAT THERE CAN BE NO ADVANTAGE IN STRIKING FIRST -- IS NOT SELF-STABILIZING.

50. IN THE WEST WE ARE CONCERNED THAT THE INTRODUCTION OF NEW VERY HIGH YIELD VERY HIGH ACCURACY MISSILES -- THE USSR HAS NO LESS THAT FOUR COMING INTO DEPLOYMENT -- MAY MAKE OUR LAND-BASED MISSILES INCAPABLE OF SURVIVING A FIRST-STRIKE. AND THE NEW SOVIET BOMBER, THE BACKFIRE, POSES AN AMBIGUOUS THREAT TO NORTH AMERICA.

51. THE SOVIETS APPEAR TO BE CONCERNED THAT THE UNITED STATES WILL SUCCEED IN DESTABILIZING THE ARMS BALANCE BY USING AS A STRATEGIC WEAPON THE CRUISE MISSILE, A LOW-FLYING, RELATIVELY INEXPENSIVE AND ACCURATE WEAPON THAT COULD BE DEPLOYED FROM LAND, SEA, OR AIR.

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52. IN MARCH THE U.S. OFFERED TO CONSIDER WITH THE SOVIET UNION TWO ALTERNATIVE APPROACHES. EITHER WE COULD CONTINUE THE NUMERICAL LIMITS ON MISSILES EARLIER NEGOTIATED IN SALT

TALKS, THUS MAINTAINING ROUGH EQUIVALENCE BUT DOING NOTHING TO CONTROL THE DESTABILIZING IMPACT OF TECHNOLOGICAL COMPETITION. OR -- AND THIS WAS THE U.S. PREFERRED OPTION -- WE COULD MAKE A FIRST MOVE TOWARDS ACTUAL DISARMAMENT, REDUCING THE ALLOWED TOTALS OF MISSILES, BANNING THE TESTING AND DEPLOYMENT AND NEW INTERCONTINENTAL MISSILES, LIMITING THE RANGE OF CRUISE MISSILES AND PROVIDING ASSURANCES THAT THE SOVIET S BACKFIRE BOMBER WOULDN T BE USED AS A STRATEGIC WEAPON.

53. FIRST SOVIET REACTION WAS NEGATIVE -- TO BOTH PROPOSITIONS. BUT TALKS CONTINUED. AND 10 DAYS AGO U.S. AND SOVIET NEGOTIATORS WERE ABLE TO REPORT PROGRESS TOWARDS A COMMON FRAMEWORK FOR SALT NEGOTIATIONS INVOLVING ELEMENTS OF BOTH THE OPTIONS THE U.S. HAD PUT FORWARD.

54. BROAD AREAS OF DISAGREEMENT REMAIN. BUT THE PROCESS OF NEGOTIATION IS WELL-ENGAGED, AND THE EFFORT WILL GO ON UNTIL SUCCESS IS OBTAINED OR EVERY POSSIBLE ALTERNATIVE HAS BEEN EXPLORED AND EXHAUSTED. FOR THERE IS NOTHING THAT THE NEW ADMINISTRATION IN WASHINGTON IS MORE SERIOUS ABOUT THAN BRINGING UNDER CONTROL AND BEGINNING TO ROLL BACK THE ENORMOUS NUCLEAR ARSENAL THAT HAS DEVELOPED OVER THE LAST 30 YEARS SINCE THE SECOND WORLD WAR.

#### SECTION 5.

55. WELL, YOU MAY ASK, WHY THEN IS THE CARTER ADMINISTRATION GOING AHEAD AND DEPLOYING THE TRIDENT SUBMARINE WITH ITS GREATER RANGE AND MORE POWERFUL MISSILES. A LOT OF CITIZENS OF BRITISH COLUMBIA AND WASHINGTON AND OREGON HAVE RAISED THIS QUESTION.

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56. THE ANSWER IS THIS: BECAUSE WE DO NOT BELIEVE IN UNILATERAL DISARMAMENT.

57. THE KEY TO NUCLEAR STABILITY IS MAINTAINING A SECURE SECOND-STRIKE CAPABILITY. FOR US THE SEABORNE DETERRENT IS ESSENTIAL, FOR IT WOULD BE ALMOST IMPOSSIBLE TO TRACK AND LOCATE AND DESTROY IT IN A FIRST STRIKE. IT BECOMES EVEN MORE IMPORTANT AS NEW SOVIET MISSILIES THREATEN OUR LAND-BASED CAPABILITIES.

58. BUT OUR PRESENT SEABORNE DETERRENT -- THE POLARIS AND POSEIDON SUBMARINES -- IS BECOMING OBSOLETE. BEGINNING AT THE END OF THE DECADE, THESE SUBMARINES WILL APPROACH THE END OF THEIR DESIGNED HULL LIFETIMES, AND HAVE TO BE RETIRED.

59. TRIDENT IS THE REPLACEMENT WE MUST HAVE, IF WE ARE TO AVOID THE VOLATILE AND EXTREMELY HAZARDOUS SITUATION THAT WOULD RESULT IF THE SOVIET UNION WERE TO APPROACH CAPABILITY FOR A KNOCK OUT FIRST STRIKE BLOW.

60. WE HOPE THAT WE WILL BE ABLE TO FIND COMMON GROUND WITH THE SOVIET UNION AND THUS BEGIN AT LAST THE PROCESS OF NUCLEAR DISARMAMENT WHICH SO MANY PEOPLE IN BOTH OUR COUNTRIES HAVE HOPED FOR SO LONG.

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SECTION 6.

61. NUCLEAR AFFAIRS IS AN AREA WHERE CANADA AND THE U.S. HAVE GIVEN EACH OTHER MUCH, BUT WHERE MUCH MORE CAN JOINTLY BE ACHIEVED.

62. NEITHER OF US CAN SUCCEED IN THE DRIVE FOR FULL FUEL CYCLE SAFEGUARDS OR THE EQUIVALENT WITHOUT THE SUPPORT OF THE OTHER.

63. NEITHER OF US ALONE CAN PROVIDE THE URANIUM FUELS NEEDED TO PROVIDE AN ALTERNATIVE TO THE PLUTONIUM ECONOMY -- WITH ALL ITS DANGERS. BUT TOGETHER WE CAN, IF WE MAKE A MAXIMUM EFFORT TO DEVELOP OUR OWN CAPABILITIES AND ENCOURAGE OTHERS TO DO SO.

64. AND OUR COOPERATION WILL BE CRITICAL IN ESTABLISHING A SAFE, ECONOMICAL FOLLOW-ON FUEL CYCLE FOR USE WHEN -- IN A COUPLE OF DECADES ONLY -- CURRENT URANIUM FUELS WILL NO LONGER BE SUFFICIENT TO MEET ENERGY NEEDS.

BOTH OF US HAVE RESPONSIBILITY TO SEE THAT A VIGOROUS  
EFFORT IS PUT FORTH IN EXPANSION OF OUR OWN CAPABILITIES  
AND IN WORKING WITH OTHER SUPPLIER COUNTRIES TO ASSURE THAT  
RECIPIENT NATIONS WILL HAVE THE URANIUM FUEL WHICH IS VITAL  
TO THEIR NUCLEAR POWER PROGRAMS.

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65. THERE IS NO FIELD IN WHICH CANADA AND THE UNITED STATES  
CAN DO SO MUCH TOGETHER, AND SO LITTLE APART.  
RATTRAY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 25-May-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977CALGAR00233  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770186-1131  
**Format:** TEL  
**From:** CALGARY  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Litigation History:**  
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**Message ID:** e136d18a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Review Content Flags:**  
**Review Date:** 31-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
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**TAGS:** OGEN, CA  
**To:** STATE OTTAWA  
**Type:** TE  
**vdkgvkey:** odb://SAS/SAS.dbo.SAS\_Docs/e136d18a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009